

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6302**

**BILL NUMBER: SB 39**

**NOTE PREPARED:** Jan 30, 2009

**BILL AMENDED:**

**SUBJECT:** Tuition Exemption for Purple Heart Recipients.

**FIRST AUTHOR:** Sen. Delph

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** *Purple Heart:* This bill removes the requirement that a Purple Heart recipient must enter active duty service in the armed forces of the United States or the Indiana National Guard after September 10, 2001, to be eligible for an exemption from tuition and fees at a state educational institution.

*Tuition and Fee Exemption:* The bill makes various changes to the tuition and fee exemption for: (1) veterans; (2) children and surviving spouse of public safety officers killed in the line of duty; (3) children and spouses of national guard members; (4) Purple Heart recipients (collectively referred to as CVO program). It provides that fee remission for CVO programs pertains to tuition and regularly assessed fees for CVO programs. (Current law provides that fee remission for CVO programs pertains to educational costs.) The bill provides that the state student assistance program determines whether CVO program applicants are Indiana residents. (Current law provides that residency is determined by a state educational institution.) It provides that CVO program recipients are entitled to eight semesters of aid. (Current law provides that a CVO program recipient is entitled to 124 semester credit hours.) The bill also provides that non state tuition based gift aid is applied to tuition and regularly assessed fees of a CVO program recipient before CVO program aid. It makes related changes.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Purple Heart:* The impact would depend on the number of Indiana veterans who entered active service duty before September 11, 2001, and received a Purple Heart and apply for the tuition and fees exemption after June 30, 2009. The state currently provides the tuition and fees exemption to children of Purple Heart recipients and Purple Heart recipients who entered active duty service after September 10, 2001. For FY 2008, 265 students qualified and the average fee exemption was about

\$3,503.

According to the Indiana Department of Veterans Affairs, they have had five applications and approved three tuition and fees exemptions for Purple Heart recipients who entered active duty service after September 10, 2001. There have been about 975 Purple Hearts awarded to servicemen who entered service after September 10, 2001. It is estimated that Indiana has about 1,350 Purple Heart recipients from World War II, 360 from the Korean War, and 2,070 from the Vietnam War. It is unknown the number of veterans who might take advantage of the exemptions. If veterans with a Purple Heart before September 11, 2001, had the same incidence of tuition and fees exemption, then about 12 people might be granted an exemption the first year.

Assuming a 6% increase in tuition and fees per year and an estimated 12 Purple Heart recipients take advantage of the benefit, the cost of additional exemptions for state education institutions would be about \$45,000 for FY 2010 and \$94,500 for FY 2011.

*Tuition and Fee Exemption:* The bill could reduce administrative expenses for the State Student Assistance Commission and possibly reduce some grants. The bill clarifies that the CVO program is a scholarship program and not an entitlement programs for free tuition. The change from 124 semester credits to 8 semesters or the equivalent could reduce administrative expenses and reduce the length of time the grants might be used. The requirement that the recipient be a resident of Indiana as determined by the Commission could reduce the number of people that might qualify. It is unknown what the saving might be but they are probably minor.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State colleges and universities; State Student Assistance Commission.

**Local Agencies Affected:**

**Information Sources:** Tom Applegate, Indiana Department of Veterans Affairs, 232-3910; Laurie Gavrin, State Student Assistance Commission, 234-5134.

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.